



## THE LIBRARIAN OF CONGRESS

The President of the Senate  
The Speaker of the House of Representatives

SIRS:

It is my pleasure to submit to you the Library's fiscal year 2001 financial statements and accompanying opinion of the independent auditors, Clifton Gunderson L.L.P.

The Library's major fiscal 2001 highlights include the first ever National Book Festival; establishment of a new national effort to develop a digital information infrastructure and preservation program; the addition of more than two million historically significant digital items to the Library's Web site; and the establishment of new responsibilities to preserve sound recordings and to start a new nationwide Veterans History Project.

The year also saw the transition of the Library of Congress Integrated Library System program office into National Library operations; implementation of the legislation creating the new Center for Russian Leadership Development; implementation of three legislative proposals that improve the Library's financial structure; and implementation of improved physical and collections security measures. As a continuing priority, the Library delivered objective, timely, nonpartisan, and confidential research and analysis to the Congress on all major legislative issues.

For the sixth consecutive year, the independent auditors have issued an unqualified "clean" opinion on the Library's Consolidated Financial Statements. The net cost of the Library's six major programs totals \$522.6 million. The net cost includes \$53.7 million in costs incurred by four other agencies (i.e., Architect of the Capitol, Government Printing Office, Office of Personnel Management, and the Department of the Treasury) in support of the Library's programs. The net cost also includes \$88.5 million in earned revenue from copyright registration fees, cataloging distribution sales, and other fee-based and reimbursable programs.

The Library continues to improve its financial and management systems while placing great emphasis on ensuring the security of our staff and collections. The implementation of the Library of Congress Integrated Library System is making possible further improvements in the control of our more than 124 million items. We recognize that we need to improve further our computer and collections controls as documented in the accountability reports. We are executing corrective measures as part of our strategic planning process.

I am proud of the Library's stewardship of its financial affairs, and I commend the enclosed report to your attention.

Sincerely,

A handwritten signature in dark ink, appearing to read "James H. Billington".

James H. Billington  
The Librarian of Congress

**THE LIBRARY OF CONGRESS**  
**FINANCIAL STATEMENTS FOR FISCAL YEAR 2001**

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